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circumstances a handful of Chinese Communists, many of them uneducated youths with a strong professional bandit element as just mentioned, had almost complete freedom of action through the time-honoured weapons of intimidation and extortion. With this insidious pressure, and with little support or sympathy from the European Powers or the native peoples, the Chinese of Southeast Asia were indeed in a dilemma.

With the advent of militant Communism came a final complication to the lives of the overseas Chinese. The appeal of the Communists is to the idea of a society horizontally but not vertically divided—that is, divided into classes, but with a proletariat which cuts across racial and community divisions. So far this appeal had been listened to by only a small minority of the Chinese, and with the Malays and other races it had been an almost complete failure. But let no one underestimate the attraction it might have for the masses of Southeast Asia if they were simultaneously convinced of the sincerity of the Communist professions and of the bankruptcy of 'bourgeois' promises.

The only way to stem the advance of Communism in Southeast Asia is to raise the standard of living. The irony of such a course for the colonial Powers is that in promoting a rise in the standard of living they are hastening their own departure. Improved material welfare stimulates political awareness. Whereas in the grand old days of their trading companies they could lord it over a province with a garrison of a score of soldiers, to-day with armies of a hundred thousand they remain only on sufferance. It is of no use, however, their elder statesmen and administrators of a bygone age urging the Governments to 'go slow'. The idea of representative government came from the West, but the rate of approach to it is largely fixed by the peoples themselves. All that the colonial Powers can aim at is to leave their ex-dependencies able to decide their own future and not at the mercy of new imperialisms.

We take leave of the Chinese in Southeast Asia at a time when they are undergoing one of the greatest trials in their history. The whole of the Far East is disintegrating as it moves towards a new and mysterious synthesis. These emigrants belong to a race which for at least one hundred and twenty generations, through the rise, flowering, decline, and petrifaction of the Chinese culture, has preserved a unified attitude of mind towards life and reality, and they look towards their parent civilization and see it once more in

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and ours as a *babu*, a clerk, does emphasize a difference in vital principle. You try to keep a man from going wrong; we make it unpleasant for him if he does go wrong. You believe in protection and welfare; we believe in law—and liberty.'

Burmans, after so many years of British rule, would probably feel stifled in the hot-house atmosphere of Java, and Javanese would shiver in the bleaker, if not bracing, climate of Burma. But it must be admitted that the version of Dutch policy given above did not pass without protest. Everyone readily admits that the people are too fondly coddled. There have long been general complaints that they are treated as children who will never grow up; that 'a villager cannot scratch his head unless a district officer gives him permission and an expert shows him how to do it'. In a powerful article that met with wide approval, the late Professor Van Vollenhoven pressed home the point that, in exercising 'gentle pressure', officials are not hampered by an obsequious deference to law. But not many would accept the suggestion that their colonial practice encroaches on liberty. Possibly their attitude may be due in part to their heritage of Roman law. 'Its influence', remarks Sir Henry Slesser, 'in stimulating a disciplinary outlook in politics and study on the Continent has been incalculable.' Yet even continental students present a rather similar picture of Dutch practice.[1] Whatever criticisms may be levelled at British colonial policy, and whatever defects may be manifest in practice, both policy and practice are based on the principles of equal law and individual freedom. That is why, in the earlier stages, it is both successful and in many ways congenial to the people; it liberates them from arbitrary oppression by native chieftains or Government officials. And it is probably one reason why, in its later stages, it is found irksome and unpopular; it brings them under bondage to economic law.

Another point which our comparison has brought out is that neither Dutch nor English have solved the problem of enhancing native welfare. The Dutch, by strenuous endeavours, have succeeded in maintaining an astonishingly high level of material welfare, far above the level in those parts of India which are comparable in respect of population, and about the same level as in Burma with much fewer mouths to feed. Yet if the Dutch have protected the people against

[1] Slesser, Sir H., *The Judicial Office* (1943), p. 83; Bousquet, pp. 90ff.; *Netherlands India*, pp. 382, 390.

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●511 those factors which have caused agrarian distress and fostered crime, corruption and clerical unrest in Burma, the price has had to be paid in other ways. For the problem of enhancing welfare, says Dr Boeke,

> 'a real solution can be found only by instilling into the masses of the people a rational view of sex relations and a dynamic view of production. This is the only conclusion that can be reached by those who desire to make actual a general, a mass-welfare policy. And it is striking to note how often writers on welfare policy for Oriental peoples finally come to the conclusion somewhat in the nature of a cry of despair, that the only hope of saving the situation lies in neo-Malthusianism. Unfortunately this has never proved to be a remedy for the very poorest; and Java is a country of the very poor. What is worse, it can never be counted upon as a means of enhancing prosperity in the Indies, because it is in itself a symptom, the sign of the dynamic spirit, of a new frame of mind not yet acquired by the people. This dynamic spirit is the crux of the matter—but how to arouse it?'[1]

Only with diffidence can one venture to question the views of a Dutch economist on the affairs of Java. Yet one cannot suppress the feeling that Dutch writers who do not know Burma and India tend to be over gloomy as to the poverty of the Javanese. And there is evidence that the people do not wholly lack the 'dynamic' spirit, the desire to improve their lot. Throughout the last half of the nineteenth century there was a steady flow of immigration to districts where new public works offered prospects of higher pay; practically all the crops now cultivated by natives are of foreign origin, and one finds now that the areas under cash crops, such as potatoes, rise and fall with prices. So far as it is true that the Javanese are lacking in initiative and that the outstanding problem is to provide food for more mouths, the cause would seem to lie in their past history and present environment. In any case it is difficult to accept the lack of a dynamic spirit as the crux of the matter. In Burma the colonization of the Delta is only one instance of the dynamic spirit of the Burmese, and the people have long taken with avidity to new and more profitable crops. And in the delta there is no pressure of population. On the contrary, although containing the richest agricultural land, it is more lightly populated than other settled tracts of Burma. Yet the great mass of the inhabitants are rack-rented tenants or landless labourers, unable

[1] Boeke, p. 164.

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to find work for a great part of the year—except when, as happens too frequently, they are in jail. If the population were denser one might be tempted to regard the numerous murders in modern Burma as nature's way of reducing a surplus population. But neither a dynamic spirit nor a thin population have assured welfare to the Burmese. We would seem then to be faced with the melancholy alternative of economic apathy or crime. Before we acquiesce in accepting one of these alternatives as the inevitable outcome of colonial practice, we would do well to enquire further why the benevolent aspirations of colonial policy are frustrated.

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654 241 it is obviously no easy matter to decide whether the extension of cultivation for the market is wise or unwise, and, in view of the generally inadequate acquaintance with native social and economic life and the deficiency and inaccuracy of tropical statistics, the material for a sound decision is unlikely to be available.

The foregoing remarks deal mainly with native agriculture, but this is the chief occupation in the tropics and has received most attention from colonial administrations. Similar considerations apply to other economic services intended to promote native enterprise. Undoubtedly native production grows, and often very rapidly, under western rule. But this is the natural result of greater security of life and property, and of the opening up of new markets, and in the past it has grown rapidly without the help of economic services, as the stimulus given by western rule to the desire of gain has been sufficient. The application of modern scientific methods to native enterprise should make it more efficient. That is the function of economic services. In practice, however, their contribution to the increase of production is confined within narrow limits. They can increase production only by making it more profitable to individuals and for various reasons, some of which we have noticed, this is rarely possible except in such matters as the introduction of new crops, which does not call for expert knowledge. Economic services can and do render much help to western enterprise, and they are useful instruments of progress; but they can do comparatively little to improve native enterprise. Thus the argument that development is necessary to provide funds for economic services in the interest of native enterprise is of doubtful validity and requires closer scrutiny than it usually receives.

4. Economic Services and Welfare

654 511 Unless economic services make native production more efficient, they obviously must be ineffective in enhancing welfare. But they may promote efficiency by increasing production or in other ways without contributing to native welfare, and may even have contrary results. In Malaya, so far as the agricultural service enabled cultivators to obtain a larger yield, it did not enable them to make a greater profit. One obstacle was a ring of Chinese mill owners.[1] 'The Malay had no option save to sell at the price offered by the middleman

[1] Mills, pp. 255, 261.

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who bought for delivery to the mills.' The Government accordingly built a rice mill in order to break the combine. (One cannot help noticing the contrast between the forceful action taken against a Chinese combine in Malaya and the tolerance of European combines in Burma.) But this touched only the fringe of the problem. From 40 to 90 % of the cultivators were not free to sell their crop in the open market because they were in debt either to Indian moneylenders or to Chinese shopkeepers. Similar conditions obtain generally throughout the tropics wherever the promotion of trade and native enterprise is a main object of policy.

We have seen how, in Africa, throughout the ages tropical peoples have been ready to accept new crops. But 'these early introductions were incorporated with the system of shifting cultivation and the staple diet became a form of rough porridge made from one or other of the grains or from cassava root, ground between stones or pounded into a mortar, and supplemented by a relish of vegetables, meat or milk'. Similarly 'the introduction of cassava and sweet potatoes by the Portuguese conferred an inestimable boon on many tribes by providing them with a famine crop which will flourish under conditions unfavourable to grain crops'.[1] The introduction of these new crops enriched native social life. But where native society has been brought into economic contact with the modern world, the introduction of new crops has a contrary result. In Burma the introduction of groundnut led to the substitution of groundnut oil for sesamum oil because, although less palatable, it is cheaper; cultivators sold their more valuable sesamum and used groundnut oil instead for cooking. Similarly in Java cassava tends to replace rice.[2] Native society has been unable to resist the economic process of natural selection by the survival of the cheapest, and the introduction of new crops has not enriched but has impoverished native life. One finds, of course, the same thing in the West, where potatoes have often displaced more nutritious edibles.

The purpose of economic services is to make production more efficient, and they tend accordingly to concentrate on export crops.[3] On the principle of the local division of function, the production of crops for export contributes to efficiency. Also it encourages trade and provides Government with revenue. But the profits from increased production go mostly to foreign middlemen and merchants; so far

[1] *African Survey*, p. 883. [2] *Netherlands India*, p. 321.
[3] *Britain and Her Dependencies*, p. 23.

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654 511 as they remain with the natives, economic development may enrich a few but, unless kept under control, impoverishes the people in general and detracts from welfare by the disintegration of native social life. To seek a remedy by multiplying economic services is like casting out devils in the name of Satan, for they expedite the process, and, like public works, merely enhance the need for social services.

5. Social Services: Protection

000 Wherever economic forces have been released by the application of reason to the conduct of social life, it has been found necessary in the general interest to protect those who are adversely affected by the consequences. This is the key note of the long conflict between Capital and Labour. In the West Greece liberated reason from the restraint of custom; Rome substituted the stronger rule of law for the rule of custom; Christianity furnished a moral principle stronger than the rule of law for keeping rational activities within the bounds of social welfare. The happy fusion of these principles in the Renascence allowed a high degree of freedom without disorganizing society. It allowed the freer use of capital in the production of wealth, and there evolved the type of social organization often described as capitalist, or capitalism. But these terms are often loosely used, and it is important to be clear as to their meaning. Human labour applied to natural resources produces a surplus beyond what is needed for sustenance. This surplus, if stored, is wealth. Wealth applied to the production of more wealth is capital. Thus capital may be regarded as disembodied economic energy. Capitalism may be defined as the form of social organization in which economic forces are predominant or, at least, conspicuously prominent. Such a society may be defined as capitalist. But the term capitalist is used also to signify the owner or employer of capital, and is usually confined to those who own or employ capital on a large scale. Thus there may be a capitalist society in which economic forces are predominant without capitalists who are owners or employers of large capital; and there may be capitalists, owners or employers of capital, in a society which is not capitalist in its general character. The neglect of these distinctions often leads to confusion.

In Europe the principle of economic freedom grew out of social life, and a homogeneous society has been able by its inherent vitality, though not without much tribulation, to gain an ever-doubtful victory over the forces of disruption. In the tropics, however, economic free-

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Hailey, was rendered possible by the munificence of the Carnegie Trust. A substantial contribution towards the cost of a new Burmese dictionary has been made by the Leverhulme Trust. Even so wealthy a dependency as Malaya looked to the Rockefeller Foundation to provide funds for a campaign against hookworm, and to the same generosity it owes two chairs in its Medical School. The Leverhulme Trust makes grants to study economic conditions in Africa, and the Burma Oil Company provided the buildings for an Engineering School in Burma.[1] The two last instances should perhaps be classed with the expenditure incurred by intelligent employers with a view to conducting their affairs more efficiently and profitably.

It appears, then, that doles out of general revenue or by private charity relieve western enterprise of charges that it would otherwise have to incur on amenities in the interest of efficiency and profits, and go to promote economic progress rather than native welfare. In the preceding chapters we have seen that economic and social services, though an important factor in economic progress, do little to enhance welfare, except so far as it is necessary to economic progress. Now it appears that the contribution to public revenue by western enterprise is barely sufficient, and often insufficient, even to cover the additional administrative charges that it involves, and that the public revenue provides only a part, apparently a minor part, of the cost of social services. It is difficult to reconcile these facts with the theory that the provision of funds for greater welfare necessitates the encouragement of western enterprise.

It is equally difficult to reconcile this theory with the state of affairs in dependencies so prosperous as Java, Burma and Malaya. Java, under indirect rule, has been developed by western enterprise employing local labour. During thirty years of Liberal rule, with a rapid expansion of western enterprise, not only did the growing population 'gobble up the greater yield', but there was an actual fall in wages, nominal and real. Again, after another thirty years, with a constructive welfare policy based on ethical principles, and purporting to encourage economic development with a view to enhancing native welfare, economists are unable to assure us that the people are better off. Dr Boeke, whom we have already quoted, returns to the subject in his latest publication. With reference to irrigation, colonization, the clearing of fresh land, the increase of secondary crops and home-grown

[1] *African Survey*, pp. 1228, 1252; Mills, pp. 310, 316; Mayhew, *Colonial Empire*, pp. 120ff.; *Colonial Review*, Sept. 1944, p. 194.

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vegetables, he suggests that the race between welfare measures and population cannot be continued indefinitely; he 'cannot escape the conclusion that the standard of living of the masses becomes more and more reduced'.[1] If there is one thing on which all Dutch colonial authorities agree, it is that the cause of poverty in Java is over-population.

In Malaya under indirect rule—though somewhat differently interpreted—western enterprise has developed the country with foreign labour. There is no problem of over-population. But the immigrant coolies draw low wages, because 'any very great increase in the Malayan standard must wait upon a similar rise in the reservoirs of overabundant and therefore cheap labour' in India and China. The Malay, on the other hand, left aside by the main current of economic development, remains stagnating in a backwater, and the progress of the last sixty years has merely changed him 'from a poor man in a poor country to a poor man in a rich country'; relatively at least he is poorer than before.[2]

Burma provides another type of economic development—by native enterprise under direct rule. The population, in comparison with Java is scanty and, in the delta, the chief centre of modern economic activity, the density per acre cultivated is less than in other lowland districts; yet the cultivators have been transformed into a landless rural proletariat and the country as a whole is conspicuous for the growth of crime.

In all these countries, and throughout the Tropical Far East, recent enquiries suggest that the people are less well fed now than twenty years ago, despite the rapid economic progress during the same period.[3] The people grow more but they do not eat more. Java was developed by western enterprise; there was a demand for local labour, and the population has grown up to the limit that the soil will bear. Malaya also was developed by western enterprise; but foreign labour was available and the population adjusted itself to these conditions. Burma was developed by native enterprise. The demand was for cheap produce and not for cheap labour. Holdings, instead of growing smaller grew larger, until they reached the size that would give the maximum net outturn and not, as in Java, the maximum gross outturn; and, under a system of industrial agriculture, the growth of

[1] Gonggrijp, quoted *Netherlands India*, p. 214; N. de Wilde, *Asiatic Review*, 1934, p. 232; Boeke, pp. 163, 165.

[2] Mills, pp. 249, 329.

[3] Wickizer and Bennett, pp. 188 ff.

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population was checked at the point of diminishing returns. In all these lands the growth of population has reflected the conditions of employment, but whether numerous or scanty, under different systems of rule and with different methods of development, the people remain poor. Economic development has failed to enhance material welfare.

The argument for economic development as an instrument of welfare further assumes that economic and social services are necessary for the provision of welfare. We have already seen that this is not the case. Cultivators adopt new crops and new methods of cultivation without the aid of economic services, and the people take to new foods without encouragement from dieticians. One of the outstanding victories over the tsetse fly in Africa was achieved by ordinary natives, under sympathetic leading, but with no expenditure on welfare services.[1] Most of the reforms most urgently needed in social life in most parts of the tropics need no expert knowledge, and could be introduced without any special staff (though a special staff *should*, of course, facilitate and expedite their introduction). Where the people can be induced to want new amenities they will pay for them, as they do for schooling in Uganda and elsewhere. Thus the inability to promote welfare in tropical dependencies cannot be ascribed to the limitation of economic and social services through lack of revenue or of funds from other sources, and we must seek another explanation.

3. The Measurement of Welfare

If we cannot accept the rapid economic progress of tropical dependencies as sufficient evidence of increasing welfare, we must look elsewhere for a yard-stick by which it may be measured. In social science as in physical science, only beginners and amateurs will conduct experiments without trying so far as possible to measure the results. Some of the older dependencies produce masses of statistics purporting to show the population revenue, and trade, and also matters of social interest, such as litigation, crime and the numbers at school or in jail. The statistics, however, are mostly compiled for administrative purposes and have little meaning or interest for outsiders; many figures are of doubtful accuracy and are frequently misleading, full of traps for the unwary (and even for those who compile them and use them in administration). One might expect at least the trade returns to be intelligible to the public, but anyone who has tried to work on them will endorse the comment of Lord Hailey that 'eccentricity, so in-

[1] Hinden, p. 202.

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433 annum. Productivity in the British fishing industry was, and probably still
226 is, at least eight times as great per man. In the United States' fishing in-
565 dustry it is much greater still. This immensely greater productivity per man is of course achieved only by a much heavier use of capital equipment. Technological investment, then, is an obvious method of trying to raise peasant production.

434 Peasant income in this region is thus low by most standards. Adequate
●511 information about this is lacking, but there is no reason to doubt the indi-
565 cative character of what has been collected. For instance, an inquiry in Java in 1926 showed that over 60 per cent of the people had in cash and in kind incomes of less than £12 10s. a year (150 Dutch florins), and 80 per cent had incomes of less than £25 a year (300 florins). In Malaya in 1940 I calculated that the fishermen of the east coast earned on the average about £12 a year. This does not mean much without consideration of the prices of goods on which the income was spent. But any such comparison would soon make it clear that a man with such an income was hard put to it to keep his family in comfort. Cash incomes have risen steeply during and since the war, but so have the prices of consumer goods, and many peasants are probably rather worse off than before, unless they have been able to sell rice or other scarcity goods.

433 The peasant economy of South East Asia uses abundant labour and has
565 a low level of capital equipment. Even then, owing to lack of efficient
461 organization, one can point to a great amount of unused man-hours. Yet these features must not be over-stressed. It is common to blame the peasant for a *dolce far niente* attitude, and attribute his poverty to his idleness. What J. Johnston Abraham, the author of the well-known travel book, *Surgeon's Log*,[1] wrote forty years ago of the Malay is often quoted in essence still:

> The Malay . . . has the aristocratic contempt for toil . . . [he] is of all things a philosopher. He squats in the warm sun and chews betel contentedly. He sees the obvious foolishness of working in a country too hot for toil, when the earth is so prolific that a fortnight's leisurely labour will produce food for a year, and the water is so plentifully supplied with fish that an hour, in the cool of the evening with a net, will supply luxury for a fortnight.

Anyone who has lived among the Malay peasantry and has seen their back-breaking work of rice-planting, or their long hours at sea in the broiling sun hauling the nets for fish, will know what a parody this is. The working rhythm of the Asiatic peasant is different from that of the European. The economic system is not well enough geared to alternative employment when technical hitches occur in his ordinary occupation. But the peasant is not simply thriftless of his time and his money. He plans with care his ploughing, sowing, weeding, and harvesting; he is assiduous in searching for fodder for his animals, in watering his vegetable garden, in repairing his fishing-boat or his net. If he can scrape together some extra cash above the daily needs of his family, he may spend it on clothes for his child or jewellery

[1] London, Chapman & Hall (14th rev. ed., 1929), pp. 69–70.